



Coalition Members as of 04/26:

Desert Valley Builders Association
ETHOS Real Estate
FASTLink DTLA
National CORE
Santa Monica Travel and Tourism

April 27, 2022

The Honorable Gavin Newsom
Governor
1021 "O" Street, Suite 9000
Sacramento, CA 95814

RE: Southern California Budget Priorities - \$5 billion and Technical Assistance for the Infill Infrastructure Grant Program in Fiscal Year 2022-23 State Budget

Dear Governor Newsom:

We the undersigned agencies and organizations share your commitment to solving California's affordable housing crisis and doing our part to address the climate crisis. This is why we write today to call your attention to the Infill Infrastructure Grant (IIG) program, an important public-private partnership that provides funding for essential infrastructure that supports the development of infill housing. As you consider the May Revision to your January Budget, we respectfully request that you consider the following two priorities:

- **Increase funding for the IIG to \$5 billion**
- **Establish a State-administered Technical Assistance program to assist small- and medium-sized jurisdictions in applying and competing for these funds.**

Since voters first approved it in 2006, the IIG program has been a small but important source of funding to revitalize the infrastructure within already highly urbanized areas to handle more intensive development. The IIG program provides funding for infrastructure that supports higher-density affordable and mixed-income housing in locations designated as infill. Developers and local governments partner to apply for grant funding for sidewalk and streetscape improvements, water, sewer, or other utility service improvements, transit linkages, transit

shelters, or other infrastructure needs that facilitate infill housing in climate friendly, infill locations.

In 2018, the IIG program received a \$300 million allocation of Proposition 1 bonds funds. In 2019, the IIG program received \$279.6 million in General Funds, followed by an additional \$250 million General Fund allocation in 2021. While we applaud the January Budget's recognition that the IIG is an important strategy in the State's efforts to boost housing production, the proposed \$500 million investment, spread across two fiscal years, represents the status quo and will fall far short of what not only what Southern California needs but also what the entire State needs to support housing production.

We recommend \$5 billion for the IIG program, while maintaining the Department of Housing and Community Development as the agency responsible for administering the IIG program. Further, we support dedicating a portion of the funds allocated for the IIG program for technical assistance, especially to help small and medium-sized jurisdictions to apply for the funds. Many councils of governments already use portions of their Regional Early Action Planning funds to provide technical assistance to local jurisdictions, but these funds are one-time and the programs offered differ from region to region while the housing crisis is statewide.

With an estimated \$45.7 billion surplus, the time is right for bold and visionary improvements to the IIG program. We believe that our suggestions would go a long way in providing more affordable housing opportunities in climate friendly, infill locations. If we can provide any additional information on this request, please do not hesitate to contact Kevin Gilhooley, State and Federal Legislative Affairs Manager at the Southern California Association of Governments, at (213) 236-1878 or gilhooley@scag.ca.gov. Thank you for your consideration.